



Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, OCTOBER 3, 2011
WWW.JUSTICE.GOV

TAX
(202) 514-2007
TTY (866) 544-5309

MONTGOMERY, ALABAMA, WOMAN PLEADS GUILTY TO USING STOLEN IDENTITIES TO OBTAIN TAX REFUNDS

WASHINGTON – Melinda Clayton of Montgomery, Ala., pleaded guilty today to charges of conspiring to defraud the United States by filing false claims, wire fraud and aggravated identity theft, the Justice Department and the Internal Revenue Service (IRS) announced.

According to the plea agreement, Clayton admitted that between January and April 2011, she conspired with others to defraud the United States by obtaining or aiding to obtain the payment of false, fictitious and fraudulent claims, in particular by filing false tax returns using stolen identities. Clayton admitted that she and others filed at least 155 fraudulent tax returns using stolen identities and sought at least \$494,242 in tax refunds.

Clayton further admitted that she unlawfully obtained and stored at her home tens of thousands of unlawfully obtained names and social security numbers of actual persons from HP Enterprise Services (formerly known as EDS), prisons and health clinics and used these means of identification to prepare and file false tax returns. According to the plea agreement, Clayton admitted that the fraud loss is between \$400,000 and \$1 million and that the offense involved 250 or more victims. She further agreed to pay restitution in the amount of \$494,424.

Sentencing has not yet been scheduled. Clayton faces up to 32 years in prison, three years of supervised release, restitution and a maximum fine of \$750,000, or twice the loss caused by the offense.

The case was investigated by Special Agents of the IRS - Criminal Investigation. Trial attorneys Jason H. Poole and Michael Boteler of the Justice Department's Tax Division and Assistant U.S. Attorney Todd Brown are prosecuting the case.

- 2 -

Additional information about the Justice Department's Tax Division and its enforcement efforts may be found at www.justice.gov/tax.

#

11-1305

DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE OFFICE OF PUBLIC AFFAIRS AT 202-514-2007.